GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3471
ANSWERED ON:16.04.2010
IMPORT OF AGRICULTURAL MACHINERY
Dharmshi Shri Babar Gajanan;Yadav Shri Dharmendra

Will the Minister of FINANCE be pleased to state:

(a) The details of tax related steps taken by the Government to ensure easy procurement/possession of agricultural machinery by the farmers;

(b) whether the Government has plans to allow duty free import of such machinery for the benefit of agricultural sector; and

(c) if so, details thereof and if not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) Domestically produced farm level agricultural machinery for activities such as soil preparation, sowing, harvesting, grading and sorting etc. and their parts are fully exempted from payment of Central Excise duty. Besides this, Basic customs duty on specified imported agricultural machinery is charged at a concessional rate of 5%.

(b)&(c) There is no proposal under consideration to allow duty free import of agricultural machinery. Since agricultural machinery is mostly produced in Small & Medium Industries, full exemption from customs duty for similar capital goods, would erode the protection to the domestic industry and adversely affect it.